

Message Text

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PAGE 01 LONDON 18720 141946Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 /030 W

-----121962 150429Z /75

R 141805Z NOV 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0331

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E.O. 11652: N/A

TAGS: EAIR, UK, US

SUBJECT: CIVAIR: MEETING OF US-UK TARIFF WORKING GROUP,
NOV. 7-9

1. TARIFF WORKING GROUP ESTABLISHED BY BERMUDA II AGREEMENT MET IN LONDON NOV. 7-9. DISCUSSION REVEALED MUCH GREATER SIMILARITY OF APPROACH TO FARES EVALUATION THAN ANTICIPATED. BOTH SIDES AGREED THAT FARES SHOULD BE COST RELATED, THAT THE DILUTION OF NORMAL ECONOMY FARES BY COSTS WHICH ARE NOT RELATED TO POINT-TO-POINT PASSENGERS, SUCH AS STOPOVERS AND PRO-RATES, IS A SERIOUS PROBLEM REQUIRING SOLUTIONS, AND THAT CAPACITY CONTROLLED FARES, LIKE APEX, WHILE SUBJECT TO POSSIBLE ABUSE, APPEAR TO OFFER THE PROSPECT OF MORE EFFICIENT, MORE PROFITABLE SCHEDULED SERVICES. MAJOR DIFFERENCE SEEMED TO BE CAA'S GREATER RELUCTANCE TO SAY, "NO," TO AIRLINES. PETER REED UKDEL CHIEF, SAID THIS WAS RESULT OF COMMITMENT TO "REGULATION WITH A LIGHT TOUCH" (WHICH HE COMPARED TO DEREGULATION IN THE US), BUT IN CORRIDOR DISCUSSIONS UK OFFICIALS NOTED THAT BRITISH LAW ALLOWS AIRLINES TO APPEAL ANY CAA DECISION TO DEPT. OF TRADE ON GROUND THE DECISION WAS INSUFFICIENTLY WELL-FOUNDED, AND THAT THIS MADE CAA RELUCTANT TO REJECT AIRLINE FIGURES, INCLUDING PROJECTIONS, UNLESS THEY WERE OBVIOUSLY UNREASONABLE.

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2. OPTIMUM LEVELS FOR PARTICULAR FARES WERE DISCUSSED ONLY IN MOST GENERAL TERMS.

3. BRITISH HAD HOPED TO DISCUSS FREIGHT RATES AS WELL AND PRESENTED US DELEGATION MEMBERS WITH COPIES OF A RECENT STUDY. USDEL SAID IT WAS NOT PREPARED TO DISCUSS

FREIGHT DURING THE CURRENT ROUND.

4. US TEAM MEMBERS PLANNING TO PREPARE MORE DETAILED REPORT AFTER RETURN TO WASHINGTON.

5. NEXT MEETING TENTATIVELY SET FOR WEEK OF JAN. 30 IN WASHINGTON.

6. CAB AND DOT REPRESENTATIVES HAD DEPARTED BEFORE ABOVE PREPARED.

STREATRER

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, TARIFFS, AIR FARES
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON18720
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770421-0693
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19771163/aaaacbmi.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
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Message ID: 1beaf31a-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 603372
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: MEETING OF US-UK TARIFF WORKING GROUP, NOV. 7-9
TAGS: EAIR, UK, US
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/1beaf31a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009